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**Statement of Senator Ernest F. Hollings at the
Senate Commerce Committee Field Hearing on Seaport Security
Charleston, South Carolina – February 19, 2002**

Today, we are gathered to take testimony on the challenges that we face as a nation in securing our seaports and maritime boundaries. In the aftermath of September 11th, this is a daunting and difficult challenge. The protection of our maritime boundaries poses unique challenges because of the breadth of our coastline, the proximity of the public to maritime businesses and endeavors, and the sheer volume of container cargo and shipments of bulk petroleum products and hazardous materials. Literally, we have thousands of tons of hazardous cargoes, originating from foreign nations being transported by foreign vessels right through the heart of many U.S. cities. Additionally, the maritime trade is very open, and we do not have the best or most reliable information about shipments, vessels, or the crew members who man those vessels. It is, indeed, a difficult issue to address.

Lloyd's List International reported that a NATO country's intelligence service has identified 20 merchant vessels believed to be linked to Osama bin Laden. Those vessels are now subject to seizure in ports all over the world. Some of the vessels are thought to be owned outright by bin Laden's business interests, while others are on long-term charter. *The Times* of London reported that bin Laden used his ships to import into Kenya the explosives used to destroy the U.S. embassies in Kenya and Tanzania.

Several weeks ago, a suspected member of the Al Qaeda terrorist network was arrested in Italy after he tried to stow-away in a shipping container heading to Toronto. The container was furnished with a bed, a toilet, and its own power source to operate the heater and recharge batteries. According to the *Toronto Sun*, the man also had a global satellite telephone, a laptop computer, an airline mechanics certificate, and security passes for airports in Canada, Thailand and Egypt.

These two stories really bring home this issue of seaport security. Except for those of us who live

in port cities like Charleston, people often do not think about the nation's ports – these critical entry points where industrial and consumer goods are loaded onto trucks and railroad cars heading directly to their hometowns. But making these ports more secure is vital to protecting our national security. The destruction that can be accomplished through security holes at our seaports potentially exceed any other mode of transportation. And yet we have failed to make seaport security a priority.

I would like to take this opportunity to thank all of the people who have worked to help us, not only schedule this hearing, but, in the morning we toured the entire harbor to investigate the challenges facing us in this area, and to witness Customs at work clearing cargo. The Port and the City have been a gracious hosts to our visitors from Washington, and the Coast Guard and Customs have contributed to make this a real learning experience.

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We have here today, one of the most knowledgeable Senators in the U.S. Senate on maritime issues, Senator John Breaux. Senator Breaux is the Subcommittee Chairman of the Surface Transportation and Merchant Marine Subcommittee, and he really knows the maritime issues. Senator Breaux recently got back from chairing a series of hearings on the South Atlantic and Gulf Coasts, and I understand that it was a little bit of an eye-opening experience, and he might be working on additional legislation to enhance seaport security, and I look forward to working with him on that. I welcome him to Charleston.

Last year, the U.S. Senate passed S. 1214, the Port and Maritime Security Act, a bill that I had originally introduced in the 106th Congress. Actually, because of the deficiencies in seaport security, we have been working on legislation in this area for over two years – not just since the attacks of September 11th. However, since those attacks, the issue of seaport security has become critical. We have a long way to go in this area, and I am hopeful that we can get to Conference with the House on this issue as soon as possible.

The Port and Maritime Security Act would, for the first time ever, require federal approval of port security programs. These plans will have to meet rigorous standards for security infrastructure, screening equipment, evacuation plans, access controls, and background checks for workers in security-sensitive areas. The Coast Guard will be designated as the lead agency in evaluating and approving security plans, and in helping coordinate law enforcement and antiterrorism policies. The Coast Guard is the Captain of the Port, and the lead agency in helping to protect our maritime borders and coastal areas.

We also will require more information about the cargo and passengers arriving at our ports. Right now, we do not know enough about the ships and the cargo that call 24 hours a day. We need to change that immediately. We will require that ships electronically transmit their cargo manifests — and if the manifest does not match the cargo, it will not be unloaded. We also will check crew and passenger manifest information to identify people who could pose a security threat. We need to know who is on these ships, and, eventually, be able to quickly check the names with a computer database of known terrorists or other associates of international criminal organizations. I am very concerned about the lack of credible information that we have on maritime trade. Security experts attempting to trace the shipping assets of Osama Bin Ladin had immense difficulties tracing his fleet of over twenty vessels, and are quoted as saying that it was more secretive than tracing banking assets.

The bill will help federal, state and local law enforcement officials to better coordinate the sharing of critical information. If a local police officer arrests someone for breaking into a secure area of the port,

timely sharing of that information with state and federal officials might help identify the person as part of a larger international network. It is critical that Customs agents work with the local police, that the state police work with Immigration officials, and that The FBI work with local port authorities. That type of cooperation will dramatically improve port security. Much of what we will achieve in seaport security will be advanced here in Charleston at the local level.

The businesses that operate in seaports also play a crucial security role. They must be brought into a cooperative environment in which a port's law enforcement information is communicated and shared confidentially with privately-hired security officers. In return, private security officers must have a direct line to share information with federal, state, and local authorities.

To verify that the cargo loads match the manifests, we will need more Customs officials to check that cargo. Incredibly, only 2 percent of the cargo containers arriving at our ports are ever checked by Customs officials. While Customs does attempt to profile cargo coming in to identify risky cargoes – two percent is totally insufficient. Let me be clear. This is a huge hole in our national security system

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that must be fixed. We need to have the best technology employed here – and we might have to address it in more than one way. Our legislation would seek to close this security hole by directly granting and authorizing more than \$168 million for the purchase of non-intrusive screening and detection equipment to be used by U.S. Customs officers. These Customs officers are on the front lines of protecting our country from the importation of illegal and dangerous goods. We must give them the latest technology and the most modern cargo screening equipment available.

We also must help the private sector and the port authorities meet these national security challenges. This problem would be much more simple to solve if the United States had national seaports under the control of the federal government — or if the federal government directly funded seaport infrastructure. However, that is not the case. Maritime infrastructure is owned by states and by the private sector. But the federal government has a role to play here for homeland security. We cannot force states and the private sector to comply with security mandates, yet not provide funding. The legislation will directly fund and authorize \$390 million in grants to local port security projects. The bill also will fund loan guarantees that could cover as much as \$3.3 billion in long term loans to port authorities acting to improve their security infrastructure. Upgrading that infrastructure means installing modern gates and fencing, security-related lighting systems, remote surveillance systems, concealed video systems, and other security equipment that contributes to the overall level of security at our ports and waterfront facilities. I was very pleased to see that the President's budget request had more funds for both the Coast Guard and for Customs, but concerned that the budget request provided no funds for grants and loans for port security. Port security will occur in the port itself, and we must deliver the resources to the ports and to the states to help them address what is a federal responsibility: border protection and control.

I look forward to hearing this afternoon's testimony we truly have a distinguished group of panelists. In particular, I would like to recognize the Commandant of the Coast Guard, Admiral James Loy. Admiral Loy is going to be moving on, and I wanted to express to him, my appreciation of his service to the nation. He has been a credit to our nation and to the Coast Guard organization. I thank him for his service.

I would also like to recognize Mr. Robin Lynch, Vice President of SeaContainers. America. SeaContainers builds marine shipping containers here in Charleston, and I asked them to prepare testimony on how marine containers could be used or modified to help enhance the overall security of the container system. I will be including their testimony in the record.

Additionally, I would like to welcome here today Major General Siegfried, who has been nominated by Governor Hodges, to be Director of Homeland Security for the State of South Carolina. His written testimony shall also be made part of the record.

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